



# PHILIP MORRIS

MANAGEMENT CORP.

120 PARK AVENUE, NEW YORK, N.Y. 10017 • TELEPHONE (917) 663-5000

April 2, 1999

Mr. Peter Bellas  
CEO, Sales and Marketing  
All Access Entertainment  
2130 Sawtelle Boulevard, Suite 304  
Los Angeles, California 90025

## L.A. Fiesta Broadway

Dear Mr. Bellas:

This letter constitutes the agreement (the "Agreement") between All Access Entertainment ("Organizer"), and Philip Morris Management Corp. (the "Company"), solely on behalf of Philip Morris Incorporated ("Philip Morris") and Kraft General Foods ("KGF")(collectively, the "Operating Companies," and each, an "Operating Company") in connection with Philip Morris' and KGF's sponsorship of the L.A. Fiesta Broadway (the "Event") to be held April 25, 1999, in Los Angeles, California.

### 1. The Company as Signing Party Only.

(a) Each Operating Company has authorized the Company to enter into the Agreement on its behalf. Upon execution of the Agreement, each Operating Company will file a copy of the Agreement in its records.

(b) Organizer acknowledges that the Company is not a party to the Agreement in its own right, and that the Company will have no obligations or liabilities to Organizer arising out of the Agreement except with respect to its authorization to enter into the Agreement.

### 2. Sponsorship Rights.

(a) As a sponsor of the Event, Philip Morris will be entitled to the following:

- (1) the exclusive right to present a **Philip Morris Music** concert (the "Concert") to be recognized as "**Philip Morris Music Presents**" in the Shamrock parking lot venue at the Event (the "Venue");
- (2) exclusive tobacco sponsorship at the Venue;
- (3) exclusive rights to eight kiosk locations for the distribution of flyers or incentives through the area from 3rd Street to 9th Street, with the kiosks to

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be provided by, and the locations subject to the approval of, Philip Morris;

- (4) the exclusive right to distribute flyers and incentive items to smokers twenty-one years of age or older (who present government issued identification bearing date of birth) from two 10' x 22' promotional tents to be provided by Philip Morris and located at the Venue; and
- (5) the exclusive right to hang two 24' x 24' **Philip Morris Music** logo stage speaker scrims;

(b) As a sponsor of the Event, KGF will have the exclusive rights to six kiosk locations at the Venue, with the kiosks to be provided by Organizer, and the locations subject to the approval of KGF;

(c) As a sponsor of the Event, each Operating Company will be entitled to the following:

- (1) the right to use a sufficient number of 110-watt electrical outlets which will be provided by Organizer;
- (2) the right to hang banners and signage on and around the promotional tents and at other locations at the Venue;
- (3) the right to a one full-page advertisement in the La Fiesta Broadway '99 Official Program. The Company will provide all necessary copy and artwork for such advertisement;
- (4) an aggregate of five invitations to the VIP party to be held on the eve of the Event; and
- (5) the right to recognition in advertising placed in connection with the Concert and the Event and the right to approve in advance all materials and announcements prepared by Organizer that mention the Company, Philip Morris, KGF or **Philip Morris Music**; provided, however, that such approval is effected on a timely basis;

3. Organizer's Obligations. Organizer will:

- (a) provide security throughout the stage, backstage, Venue and parking areas as directed by the City of Los Angeles;
- (b) provide adequate electricity, electricians and power-silent generators and cables;
- (c) utilize the **Philip Morris Music** credentials and identification to permit the Company staff and talent to gain backstage access and parking; and

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(d) obtain all releases, licenses, permits, approvals, consents and other documents required in connection with the Event and the Concert and for the performance of Organizer's duties under the Agreement and advise the Company in advance of any additional charges or fees that will be incurred in obtaining such releases, licenses, permits, approvals, consents and other documents.

4. Philip Morris' Obligations. Philip Morris will:

(a) provide stage production and management and supervision and support to the Concert operating crew; and

(b) provide 24' x 24' **Philip Morris Music** logo speaker scrims to be placed on the Concert stage and additional signage.

5. KGF's Obligations. KGF will provide personnel to conduct promotional activities.

6. Sponsorship Payment. For the rights and permissions granted under the Agreement, Philip Morris and KGF will pay Organizer an aggregate amount not to exceed \$55,000. KGF will pay Organizer \$5,000 within thirty days after complete execution of the Agreement and submission of an invoice. Philip Morris will pay Organizer \$25,000 within thirty days after complete execution of the Agreement and submission of an invoice and \$25,000 upon submission of an invoice on April 14, 1999.

7. Term and Termination.

(a) The term of the Agreement will commence as of the date of the Agreement, and will continue through the completion of the Event. The Company has the right to renew the Agreement, if the Event is held in 2000, upon written notice delivered to Organizer on or before January 15, 2000. If the Company elects to renew the Agreement, all terms and conditions of the Agreement will be incorporated in any renewal, with the exception of appropriate date changes and payment terms. The parties will negotiate such terms in good faith and will memorialize their agreement in a separate writing.

(b) If any federal, state or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective which makes the promotion of tobacco products as contemplated by the Agreement unlawful or impracticable or, in the judgment of the Company, materially reduces the value of the Agreement to Philip Morris or KGF, the Agreement may be terminated by the Company as of the date that the law, regulation, ordinance, order, ruling, judgment, consent decree or action becomes effective, and Organizer will refund to Philip Morris and KGF all amounts paid to Organizer by Philip Morris and KGF. Organizer may deduct from the refund all documented nonrecoverable costs properly incurred by Organizer and will immediately deliver documentation for all costs so deducted.

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8. Exclusivity. Organizer will not enter into sponsorship agreements with any other manufacturer of cigarettes or other tobacco products, nor permit any signage, commercial identification or promotional activities of any other cigarettes or other tobacco products in connection with the Event at the Venue, without the prior, written consent of the Company.

9. Independent Contractor. Organizer is an independent contractor and the Agreement will not be construed to create an association, partnership, joint venture or relation of principal and agent or employer and employee between the Company, Philip Morris or KGF and Organizer or any of Organizer's employees or agents within the meaning of any federal, state or local law. Organizer will not enter into any agreement, oral or written, on behalf of the Company or otherwise obligate the Company without the Company's advance, written approval.

10. The Philip Morris Names. Organizer recognizes and acknowledges that the **Philip Morris Music**, Philip Morris and Kraft General Foods names and the names of the Philip Morris and KGF brands and the emblems, slogans, designs, insignia and logo-types associated with Philip Morris and KGF and their brands have great value and good will and are the sole and exclusive property of Philip Morris and KGF. Organizer agrees that it has and will claim no right, title or interest in or to the same or the use thereof except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris and KGF as described in subparagraph 2(c)(5).

11. Ownership. All material prepared or developed by Organizer pursuant to the Agreement will become the property of the Company and Organizer hereby agrees to assign to the Company any and all rights to copyright the material. Upon the acceptance by the Company of any copyrightable material prepared by Organizer, Organizer at the request of the Company will assign all of Organizer's right, title and interest in and to such material to the Company and will execute an assignment in a form acceptable to the Company.

12. Confidentiality. Organizer, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by the Company, Philip Morris or KGF to Organizer or created or acquired by Organizer in performing services pursuant to the Agreement. Organizer will not use or disclose to any third party the existence or terms of the Agreement, the information or materials or any other confidential information unless authorized to do so in writing by the Company. Upon the termination or expiration of the Agreement, Organizer will return promptly all confidential materials to the Company. Organizer's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

13. Insurance.

(a) Prior to the commencement of the Event, Organizer will deliver to the Company certificates of insurance evidencing coverage for (i) comprehensive general liability, including spectators', advertiser's, and contractual liability, with limits of no less than \$1,000,000 combined single limit for bodily injury, including personal injury, and property damage; (ii) comprehensive automobile liability, including all owned, non-owned and hired vehicles, with limits of no less

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than \$1,000,000 combined single limit; and (iii) statutory workers' compensation coverage meeting all state and local requirements, including coverage for employer's liability with limits of no less than \$500,000. The certificates of insurance required by subparagraphs (i) and (ii) must name the Company, Philip Morris and KGF, their affiliates and each of their respective employees and assigns as additional insureds and must state that the Company, Philip Morris and KGF will be provided at least thirty days' prior, written notice of any cancellation or modification of the insurance. The insurance required must be primary coverage without right of contribution from any other the Company, Philip Morris or KGF insurance. Insurance maintained by the Company, Philip Morris and KGF is for the exclusive benefit of the Company, Philip Morris and KGF and will not inure to the benefit of Organizer.

(b) Prior to the commencement of the Event, the Company will deliver to Organizer a certificate of insurance naming La Fiesta Broadway as an additional insured. The certificate of insurance will provide general liability coverage and property damage coverage with a combined single limit of \$1,000,000.

14. Indemnity.

(a) Organizer agrees to indemnify and hold harmless the Company, Philip Morris, KGF, their affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Organizer. Organizer's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

(b) Each Operating Company, severally but not jointly, agrees to indemnify and hold harmless Organizer, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from, or may be attributable to any error, omission or fault of such Operating Company. Each Operating Company's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

15. Third Party Contacts. If at any time Organizer is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning Organizer's activities on behalf of the Company, Philip Morris or KGF, Organizer will make no comment, immediately notify the Company of the third party contact, and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

16. Notices. Notices provided hereunder will be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Organizer, at the address set forth above, Attention: Mr. Peter Bellas, and if to the Company, to 120 Park Avenue, New York, New York 10017, Attention: Assistant General Counsel and Assistant Secretary, with a copy to Philip Morris, to the same address, Attention: Director, Event Marketing.

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17. Miscellaneous.

(a) The Agreement and all matters collateral hereto will be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the control of either party delaying or causing the cancellation or delay of the Event or the Concert will not subject Organizer or the Company to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) Organizer must comply with all applicable laws, regulations, and ordinances relating to its performance of the Agreement. Organizer acknowledges that it is cognizant of the provisions of 15, U.S.C. § 1331 *et seq.* and of the Master Settlement Agreement executed as of November 23, 1998, by certain tobacco manufacturers and the Settling States (as defined in the Master Settlement Agreement).

(d) The Agreement is the complete agreement between the parties and supersedes any oral or written agreement between the parties concerning the subject matter of the Agreement.

(e) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(f) The Agreement may not be modified, amended or assigned except in a writing signed by both parties. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assigns of the parties.

(g) A waiver by either party of any term or condition of the Agreement in one or more instances will not constitute a permanent waiver of the term or condition or any other term or condition of the Agreement or a general waiver.

(h) Organizer acknowledges and agrees that each Operating Company is a separate legal entity and that, notwithstanding any other provision contained herein, the liabilities and obligations of each hereunder are several and not joint, and not joint and several; provided, however, that nothing in this subparagraph 17(h) will be construed to prohibit any or each of them from acting jointly or through any of them to perform the obligations of another hereunder. Under no circumstances will any Operating Company be responsible or liable to Organizer for the negligent or intentional acts or omissions or other obligations of the other under the Agreement. The rights of and remedies available to the Operating Companies under the Agreement may be exercised individually or jointly by them, but no election of remedies by one of them will bind the other to such election or prohibit the other from electing different remedies. In the event of a breach by any Operating Company, Organizer's rights with respect to such obligations of the breaching party will be exercised only with respect to such breaching party and the rights and obligations of the other Operating Company will be unaffected thereby.

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Mr. Peter Bellas  
All Access Entertainment  
April 2, 1999  
Page 7

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning the enclosed copies of this letter. We will forward one fully executed copy to you.

Very truly yours,

**PHILIP MORRIS MANAGEMENT CORP.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED AND AGREED AS OF  
THE DATE OF THIS LETTER:

**ALL ACCESS ENTERTAINMENT**

By: \_\_\_\_\_

Peter Bellas

Title: \_\_\_\_\_

Taxpayer ID#: \_\_\_\_\_

Filing Status: \_\_\_\_\_

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